

DELIVERY TEXT

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the Central Intelligence Agency

Before Corporation, Banking and Business Law Section, American
Bar Association

Shoreham Hotel: Terrace Banquet Room

"Some Thoughts About Intelligence"

Gentlemen:

As a former practicing member of your profession, I am particularly pleased to attend a gathering of the Bar Association even if it is for the first time. I was unable to make it as a lawyer.

Any speaker on intelligence finds himself unavoidably confronted with the maxim - "the golden word of intelligence is silence." This sage admonition cannot be wholly disregarded, and may help to clarify why any resemblance between my speech and Ian Fleming will be purely coincidental.

Actually, I want to discuss several rather disparate topics and, consequently, propose to adopt a patchwork quilt approach. I hope that the additional coverage will compensate

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for the roughness of sequence.

Although intelligence may not be quite the oldest profession, it runs its more glamorous rival a close race. The Trojan Horse, a combined intelligence and paramilitary operation, was wheeled out (or in) in 1200 B.C. and the Book of Numbers tells us that Moses before occupying the Promised Land sent out "by commandment of the Lord" from the wilderness of Paran ten men under the direction of Joshua to spy out the land. I wish that our intelligence projects could claim as distinguished an echelon of approval.

The intelligence business, like the law, is active and continuous. For example, on the opening day of one of our national conventions Khrushchev rattled his rockets in support of Cuba, Castro spat at the U.S. again and the Congo broke into chaos. Also, like the law we often work with varied and colorful clients. Yesterday we were concerned about the health of the Imam of Yemen, the whereabouts of Mr. Malenkov, the safety of the Dalai Lama, the political life expectancy of Syngman Rhee. Today Mr. Lumumba, Major Castro and Captain Kong Le occupy much of the time and energy of my colleagues. And, then, of course we have our long-term retainers, Messrs. Khrushchev and Mao. Until we finally discover the best of all possible worlds, the profession of collecting, analyzing and disseminating information about actual or potential enemies is, like the profession of law, here to stay.

The most spectacular intelligence successes throughout history have occurred during wartime. Among these are some recently cited by

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Allen Dulles: "the highly competent spies of Joshua, who found shelter in Jericho with Rahab, the harlot; the much more recent feat of British intelligence in deciphering the Zimmerman telegram in 1917; and the American intelligence prelude to the great victory in the Battle of Midway."

The undramatic, more painstaking and less conspicuous function of collecting information on an organized day-to-day basis during peacetime is, as far as the United States is concerned, of very recent origin. In fact, it has been a post World War II phenomenon. In these turbulent times, intelligence has the vital missions of safeguarding our national security through timely warning and guiding our policy makers through the provision of facts and judgments essential to wise planning or decision.

We have learned much from the doleful lesson of Pearl Harbor. But recent developments in the field of long-range high-powered weapons systems make the horrendous consequences that may ensue from inadequate intelligence and tardy communication even more apparent. Consider the eagerness with which civilization pours large amounts of money, resources, skills and energy into the improvement and production of these systems and the success already achieved. The significance of governmental decisions that must be made and the growing interrelationships of allied interests mean that

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readily usable and carefully evaluated indications of hostile intent or action must be provided in the shortest possible time to the highest echelons of Government -- and often to those of several governments. Similar pressures, in perhaps less urgent but equally demanding form, exist in the day-to-day intelligence business of keeping decision makers informed of key political, scientific and economic developments throughout the world. Like Lord Mansfield's "seamless web," global relationships are so interwoven that substantially no area can be segregated or cut off as being without implication or concern to others.

Against these modern demands even the most perfect intelligence system would be hard pressed. Nevertheless, the risk of failure or miscalculation can be reduced by improvement of the intelligence machinery with respect to existing methods of collection as well as the process by which intelligence once collected is brought speedily and accurately to the attention of those having the responsibility of decision. I recognize the legal impotence of a self-serving declaration, but I will assert that progress is being made in these areas. Let me hasten to say, however, that we have not met the criteria referred to by General Bedell Smith, a former Director of Central Intelligence several years ago. He said, somewhat

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despondently, "America's people expect you to be on a communing level with God and Joe Stalin ... they expect you to be able to say that a war will start next Tuesday at 5:32 P.M."

The Central Intelligence Agency was officially born on September 18, 1947 when the National Security Act became effective. It was one of a rather distinguished brood since the same statute sired the Defense Department, provided for the unification of the military services and established the National Security Council. The original ancestor of CIA, the often maligned Office of Strategic Services, perished after the war but in good phoenix-bird fashion, the Central Intelligence Group sprang full-blown from the OSS ashes having been created by an Executive Order signed by President Truman. This in turn was followed by the present CIA. Consequently, continuity of a sort existed between General Donovan's wartime organization and the present statutory agency.

The main responsibilities imposed on CIA by the National Security Act (briefly summarized) are: to advise the National Security Council in matters concerning such intelligence activities of the government as relate to national security; to make recommendations to the NSC for the coordination of these activities and to correlate and evaluate

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intelligence relating to the national security and provide for its appropriate dissemination. The Agency has no police, subpoena or law enforcement powers nor any responsibility for internal security.

Despite the CIA's broad responsibility for coordinating the overall intelligence effort, it does not supplant the work of other agencies.

In no sense was a unitary system created by the Act but rather a coordinated, integrated system was intended and so it has developed.

Army

~~XXX~~, ONI and Air Force Intelligence continue to perform their missions although over the past decade their interrelationship and their response to centralized coordination has steadily increased.

Coordination of our government's intelligence effort is effected through the United States Intelligence Board. The USIB, chaired by Mr. Dulles as Director of Central Intelligence, brings together each (intelligence representatives of the) week the Departments of State and Defense, the Joint Chiefs of Staff, the three Military Services and the National Security Agency. Other collectors and intelligence analysts are also included. The FBI contributes where domestic intelligence matters have international implications and the Atomic Energy Commission provides its expertise in the nuclear field. In addition, as you might suspect, the Board and its membership receive on a consulting basis the benefit of the great knowledge and wide experience which exist in private organizations. Moreover, the learning and wisdom of scholastic and educational institutions are sought and generously provided.

In executing its responsibilities for analyzing all relevant intelligence collected by, or available to, all agencies of government, the Board passes upon the intelligence community's most thoroughly analyzed product, the National Intelligence Estimates. These estimates cover the developing trends, military

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political and economic, which bear on the national security of the United States.

The Estimates are issued as the papers of the Director of Central Intelligence. Members of the Board may concur or dissent in whole or in part. A dissent is inserted as a footnote to the appropriate paragraph of the estimate. In this way no effort is required to find fuzzy, ambiguous language fashioned to conceal or modify differences of view. Instead both the text and any dissenting footnotes can maintain their clarity and vigor of expression. The Estimates have a limited, high-level circulation in the government. Regular customers are the White House, the NSC and the Departments having Board membership.

Normally Estimates are worked on over a fairly substantial period of time to allow for special collection efforts, thorough analysis of all available data and uninhibited and full discussion. Sometimes, however, urgencies are such as to require faster production. The Board machinery is geared to service these needs through the speeding up of regular production, the production of coordinated memoranda rather than formal Board Estimates and the calling of extraordinary sessions.

Intelligence involving matters which endanger the security of the United States is handled in such a way that its receipt compels rapid attention. Watch Officers, representing all components of the Intelligence Board are on duty 24 hours every day of the year so as to receive such information without delay. If, in their judgment, a critical situation is presented, they call an immediate meeting of the USIB whether day or night.

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Consequently, a coordinated report can be in the hands of the NSC and the President within a few hours of the time the intelligence was received.

In addition to the preparation and dissemination of Estimates and memoranda, regular daily access to important customers is essential to the proper functioning of the intelligence community. This access has recently been described by Allen Dulles in the following terms:

"During the last ten years that I have been in Washington, I have served under two Presidents of differing political parties. There never has been a time when the Director of Central Intelligence has not been able to get to the President in a matter of minutes on any issue that he considered of immediate importance.

"Nor is this access limited to crises situations. On a daily basis, we in the intelligence community have an opportunity to lay before the President and the leading officials of the Department of State, the Department of Defense and the National Security Council our appraisals of unfolding events of policy significance. This is supplemented by weekly oral briefings which I give to the National Security Council covering important current events or dealing with the intelligence background of policy decisions that may be before the Council. Issues in our foreign relations these days do not always wait for the painstaking preparation of elaborate staff papers."

Congressional interest in the method and capability with which CIA discharges its stewardship has been very active. Numerous bills

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have been introduced in both Houses proposing legislative machinery for closer scrutiny and to establish a Joint Congressional Committee on Central Intelligence.

Arguments, based on the need in the American system for checks and balances, continue to be made in Congress by proponents of some kind of a special CIA committee. Opponents point to the Executive character of CIA's functions under the Constitutional doctrine of separation of powers.

The significant fact, however, is that whatever view one may take about a special committee, Congress has taken and continues to take a very close look at CIA activities. This supervision, however, has been recognized by few. For example, the Congressional attitude in this respect has been erroneously described as "Trust in God and Allen Dulles," an analogy to the description of Congressional financial generosity during the war "Trust in God and General Marshall." Such blind faith could be justified in each of these cases by the caliber of both the Deity and his earthly partner. The facts, however, do not establish so relaxed a Congressional view.

The Armed Services Committees in the House and Senate are the parent committees for the Agency. Each has established a CIA

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Subcommittee to which the Agency reports on a periodic basis. The House Subcommittee was reconstituted at the beginning of the first session of our current Congress and its mission was stated to be a thorough review of Agency activities. During the past year detailed organization and activity briefings on all aspects of the Agency have been presented.

The Agency also appears periodically before the Appropriations Committee of both the House and Senate and again in each case a special Subcommittee has been established.

In addition to these four committees, top Agency personnel, almost always including Mr. Dulles, have appeared before such other committees:

Senate Foreign Relations

Senate Committee on Astronautics and Space Sciences

Senate Preparedness Investigating Subcommittee of

Senate Armed Services

Senate Internal Security Subcommittee

House Foreign Affairs

House Science and Astronautics Committee

Defense Subcommittee of House Appropriations

Joint Committee on Atomic Energy

Joint Economic Committee

This is only a partial list but when considered together with the fact that during the last three years, the Agency has appeared before Congress on an average of between 25 and 30 times a year, the need for greater Congressional supervision seems less urgent. At

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least we can affirm a statement made by General Cabell, Deputy Director of CIA, "As far as we are able to determine," the present CIA ties with Congress "are stronger than those which exist between any other nation's intelligence service and its legislative body."

CIA also works closely with the Bureau of the Budget, consults daily with other agencies of the Government, particularly State and Defense, and makes a periodic activities report to the National Security Council. In 1948 and 1955, two broad investigations were made by Hoover Commission task forces. In 1949 and 1954, additional special surveys were made by special committees at Presidential request. The 1949 committee was headed by Allen Dulles, then a practicing lawyer in New York. He later revealed one of the most significant results of his report. "We" (his committee) "had committed the unpardonable sin of telling others how a job should be done ... General Bedell Smith ... dusted off the report of our little committee ... called the authors ... on the telephone and told us in no uncertain terms that we should come down to Washington for a few weeks and try to explain what we were trying to say ... we could not fail to respond, and so about ten years ago I went to work at the Central Intelligence Agency for a six weeks' tour of duty. I have been there ever since."

Finally, an eight-man Board known as the President's Board of Consultants on Foreign Intelligence Activities was created by Executive Order in February 1956 to look into all of the Government's foreign intelligence activities, including, of course, the CIA. This Board, still in very active existence, consists of senior, private

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citizens, who in most cases have served in other important government positions.

Soviet space achievements, such as, Sputnik, Lunik and the orbiting canines, Belka and Strelka, make Mata Hari seems infinitely more old-fashioned that she already is. Science and technology quite obviously have and will continue to play a major role in the finding, acquisition and analysis of intelligence.

Nevertheless, current evidence shows a continuing need in many cases for the individual agent, personal access to the information desired and the use of the time-worn tradecraft techniques. I cannot deny the fascination which this hide-and-seek aspect of intelligence collection has for me and, I think, for most. Perhaps movies and books have artfully fostered the trench coat and black fedora conception and hindered the advent of the slide rule and the well-stocked library. On the other hand, there is no doubt that clandestine agent operations provide only a part of the available intelligence. State Department, Attache and other military reports, science and technology plus analyses of press, radio and published documents furnish collectively the remainder of the intelligence raw material. The dimensions might be clearer if I said that the number of pages of unclassified foreign documents read annually are in the many millions, the words listened to from radio broadcasts are also in the millions while many hundreds of people are kept occupied examining scientific data.

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It is revealing to recognize that the Russians devote a significant amount of effort in the U.S. to old-fashioned clandestine collection despite the unfortunate ease with which they can quite openly obtain information in this country. Only two weeks ago the First Secretary of the Russian Embassy in Washington was ordered out of the country for giving an individual \$500 to obtain a government job and wait for a chance to serve the Soviets. Only three weeks before that another Russian diplomat, a Third Secretary in the Washington Embassy, was discovered paying \$1,000 to an American for aerial photographs of U.S. naval bases. In the last ten years, there have been 21 Russians similarly expelled for using their official assignments in the United States as a cover for improper espionage activities. These included members of the Russian delegation to the U.N., assistant naval and military attaches and members of the Embassy staff and consular officers. Obviously, therefore, the directed individual agent or the "sleeper" is considered by the Russians to be something worth obtaining even at the risk of "blowing" a senior official.

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Aside from agents in official jobs, the Soviets have paid agents living discreetly as members of the non-official community. The famous case of Colonel Rudolph Ivanovich Abel is a good example. Col. Abel, an officer in the Russian State Security system, the KGB, was arrested in 1957, indicted, tried and convicted on charges of operating a military and atomic espionage ring for the Kremlin. Living in Brooklyn, using assumed names, Colonel Abel held himself out as an artist and photographer and was unsuspected for almost ten years. His information was transmitted to Russia by shortwave radio from his apartment or by microdot or in containers cleverly fashioned from nails, coins, cuff links, toothpaste tubes, dry cells with threaded tops and hollow pencils -- to name a few.

Abel was and is an interesting human being -- a linguist with flawless English, fluent German, French and Italian -- a trained electronics engineer, an expert photographer. He sketches and paints and has a student's knowledge of the arts. He is versed in nuclear physics, studies Einstein for pleasure and plays classical Spanish guitar music in the fashion of Segovia. His reading favorites are Pushkin, Macaulay, Hemingway, Tolstoi, Victor Hugo and he is a very professional agent with thirty years' experience.

How Abel was apprehended and changed from an unknown into one of the most publicized agents of our time deserves brief mention. In May 1957, a pudgy, harried Russian named Hayhanen walked into the U. S. Embassy in Paris, showed his American passport and said that he was a Soviet agent, a member of the KGB, that he was returning to Russia

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on home leave, that he was afraid to do so and that he wanted to defect.
At first he

~~He~~ seemed a charter member of the large fraternity of crackpots. A brief association established that he was under great emotional stress and had a disturbing habit of pausing in the middle of the Champs Elysee holding up one hand as an aerial and tapping his chest with the other as if it were a transmitter key. He explained that he was communicating with his wife in the United States. Nevertheless, he made some statements which being specific sounded genuine and were capable of being checked. For example, he said that in the U.S. he used as message banks such drops as a hole in a cement wall on Jerome Avenue, a bench in Riverside Park, the space in a particular lamppost in Fort Tryon Park, the iron fence on Macombs Dam Bridge. The places not only existed but so did the details mentioned. He was, therefore, returned to the United States where the FBI ably determined that Hayhanen dealt with a superior called "Mark" who had a studio in Brooklyn, address unknown. This plus some details about the studio picked up by Hayhanen in conversations with "Mark," led, after a month's painstaking search, to Colonel Abel, alias "Mark."

Abel's long and carefully retiring life is reminiscent of the Dutch watchmaker whose detailed wartime reports from Scapa Flow on British harbor defenses enabled the German Navy to slip a submarine into the harbor and sink the battleship, Royal Oak, as she lay at anchor on October 14, 1939. The watchmaker had been despatched to Scapa Flow in 1927 and did not send his first report for twelve years.

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I would like to close with a few thoughts about the Soviet nation whose leader has advertised that Communism will "bury" us.

Aggression short of all out war is a risky business but the last decade and a half has shown a Communist willingness -- Russian or Chinese -- to take the risk on numerous occasions where application of pressure suited their purposes in pursuit of their remarkably unchanged goal of imposed world domination.

Let me recall some examples: the Soviet menace against the Iranian province of Azerbaijan; guerrilla war against Greece and threats against Turkey; the subversion of Czechoslovakia; the Berlin Blockade; the Communist takeover on the mainland of China; the aggression in Korea; the Indo-China war; the brutal crushing of the Hungarian revolt; the hostilities in the Taiwan Straits; the lawless, deceptive overthrow of the Tibetan government and the consequent genocide of the Tibetan race; the border attacks against Nepal and the apparent support but actual take-over Czechoslovak-style of Cuba.

The Soviets have given further recent evidence that they are not of a mind to encourage for the present a sensible settlement of East-West differences. Mr. Khrushchev's harsh attitude in Vienna including threats to make a separate peace treaty with East Germany if the West Germans hold their annual meeting of the Bundestag in Berlin this fall; the rudely abrupt break-off of the ten-nation disarmament conference in Geneva; the exploitation of the Congo and the clear Soviet intent to

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use the RB-47 incident to agitate the issue of U.S. overseas bases. Also, consider in the RB-47 case the Soviet vetoes in the U.N. of the U.S. resolution for an impartial investigation and of the Italian resolution for the International Red Cross to see the survivors.

Undoubtedly, without benefit of crystal ball, we can prophesy that the Soviets will continue to increase their nuclear and other military strength and emphasize their capacity to deliver appropriate warheads to desired targets, particularly ICBM's.

The Soviets are aided in ^{their} program by a number of factors:

1. We believe that with a Gross National Product of about 45% of ours, their military effort in terms of value is roughly comparable to our own. This means that the proportion of Gross National Product which the Soviets put into military purposes is twice the proportion so used by the U.S. Mr. Khrushchev is more interested in Lunik and military production than he is in producing creature comforts such as the automobile or in making the plumbing work.

2. The rate of Soviet industrial growth annually since 1950 is estimated at 9 to 10.5% which is an annual rate about twice that of the United States. The Soviet progress is, of course, due to the fact that they plow back into investment a large and growing share of their total annual production. The Soviets direct about 30% of G.N.P. into capital outlays, while we in the United States are satisfied with 17 to 20%. A dramatic illustration of the role of investment in Soviet economic growth is found in their Seven Year Plan which runs to 1965. Capital investment in industry for 1959, the initial year of the plan,

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was approximately equal, measured in dollars, to industrial investment in the United States. Moreover, the Soviets' absolute volume of investment in productive areas such as the iron, steel and non-ferrous industries as well as in machinery manufacturing was substantially greater than that of the United States.

3. Externally, the Kremlin continues to push its massive propaganda machinery seducing the newly-emerging countries with the example of the rapid Soviet economic and military growth and with offers of aid if they turn to Moscow. We see Soviet technical and economic aid targetted at Asia, Africa and Latin America along with an increase in the same areas of the world-wide Communist apparatus for subversion. Local Communist parties, underground and overt, Communist fronts and agitprop assets are also being supported and directed to a high level of activity in these troubled parts of the world.

The Soviets extensive efforts are further strengthened by their real flair for organization, their ruthless belief in their goals and the enthusiastic dedication of many of their people. Moreover, despite certain growing ideological differences and political disputes, the Soviets are vigorously supported by the Chinese.

We can safely conclude, therefore, that the West has its hands full and that the competition is challenging and worthy of our most informed and determined response over an extended period of years to come. If we refuse to accept any alternative but success, there is no doubt that we will be the winning contender. We cannot, however, indulge in the luxury of relaxation.